



## Indoor Amateur Sports Facility Public-Private Partnership Update

September 14, 2017



### Overview

- **Purpose:** Update the Economic Development Committee on the process to solicit indoor amateur sports public-private partnership proposals.
- Topic Areas
  - Background
  - Why indoor amateur sports?
  - Public-Private Partnership (P3) solicitation requirements, objectives, and scope
  - Funding
  - Timeline



## Background

- Since FY2012, the Economic Development Focus Area Plan has included a strategic priority to grow youth and amateur sports
- FY2014 Community Investment Plan (CIP) appropriated \$25M for Bojangles Coliseum and Ovens Auditorium area redevelopment as part of Eastside investments
- Efforts to obtain a private partner for indoor amateur sports at Coliseum/Ovens site was not successful
- February 2015 Economic Development & Global Competitiveness Committee asked staff to evaluate other options/opportunities for Coliseum/Ovens site and amateur sports

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## Background

- On July 24, 2017 City Council approved "The LINK" at Bojangles Coliseum/Ovens Auditorium
- Charlotte Regional Visitors Authority (CRVA) and City staff are now ready to proceed with an indoor amateur sports facility solicitation process
- The indoor amateur sports facility is intended to be funded by hospitality and tourism taxes

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## What is Amateur Sports?

- Any sport, any level of expertise, where the participant is not paid to participate
  - Youth (through High School)
  - Collegiate
  - Masters (post-Collegiate)
  - Seniors

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## Why Indoor Amateur Sports?

- Importance of Charlotte's Visitor Economy
- Charlotte Hospitality Industry Dynamics
- The Economic Power of Amateur Sports
- Charlotte's Position in the Amateur Sports Market
- Indoor Amateur Sports as an Opportunity

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## Importance of Charlotte's Visitor Economy

**\$6.7 billion**  
IN VISITOR  
SPENDING

**131k**  
HOSPITALITY &  
LEISURE JOBS

**\$352**  
TAX SAVINGS  
PER RESIDENT

**#1**  
VISITOR ECONOMY  
IN THE CAROLINAS

**1 IN 9**  
**JOBS**  
4<sup>TH</sup> LARGEST  
INDUSTRY

**\$500**  
**MILLION**  
STATE & LOCAL  
TAX REVENUES

**\$5.2**  
**BILLION**  
IN VISITOR SPENDING  
IN MECKLENBURG  
COUNTY

**65K**  
**JOBS**  
ARE SUPPORTED  
BY VISITOR SPENDING

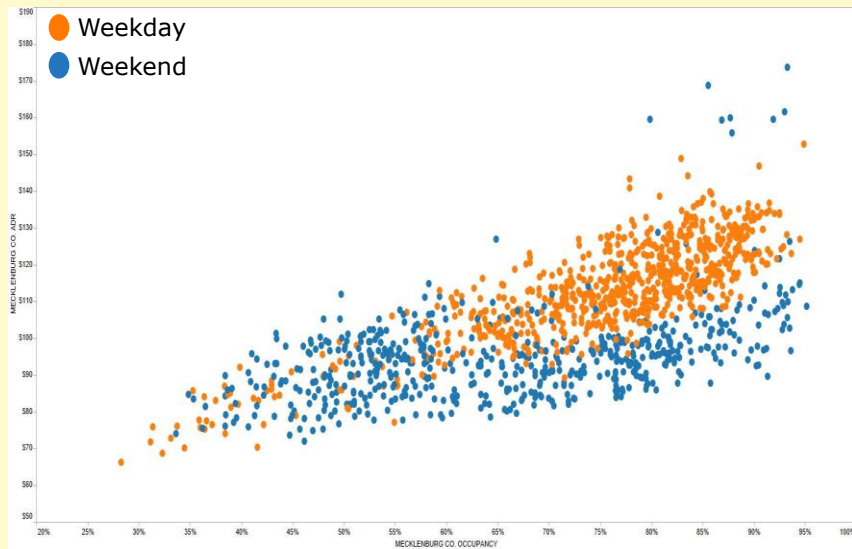
**\$109**  
**MILLION**  
IN MECKLENBURG  
COUNTY HOSPITALITY  
TAXES

Source: Economic Development Partnership of North Carolina  
by U.S. Travel Association

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## Charlotte Hospitality Industry Dynamics



Source: STR

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## The Economic Power of Amateur Sports

**\$132.7 million**  
IN VISITOR SPENDING

**\$232.5 million**  
IN ECONOMIC IMPACT

**2,704 jobs**  
SUPPORTED BY  
VISITOR SPENDING

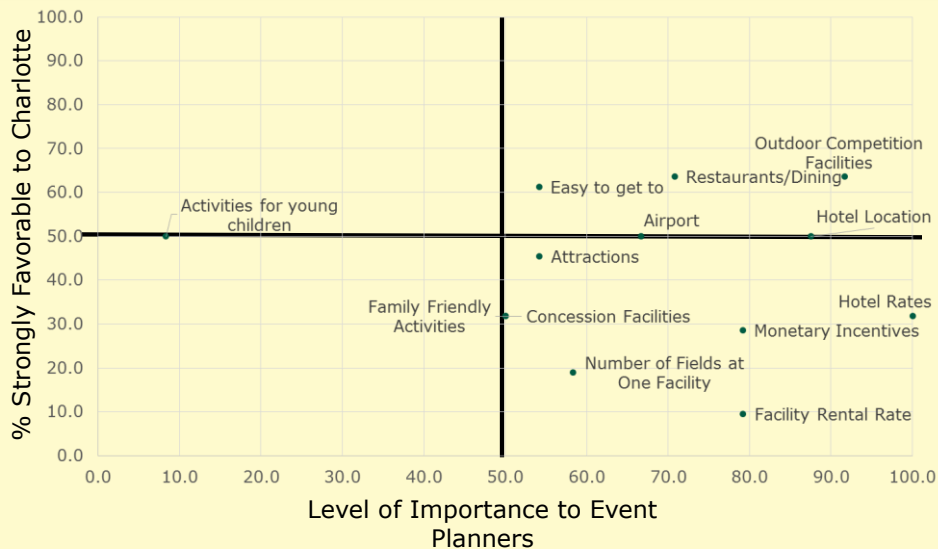


Source: University of North Carolina Charlotte  
*The Economic Impact of Sports and Sports Events on the Charlotte MSA Economy, 2011*

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## Charlotte's Position in the Amateur Sports Market

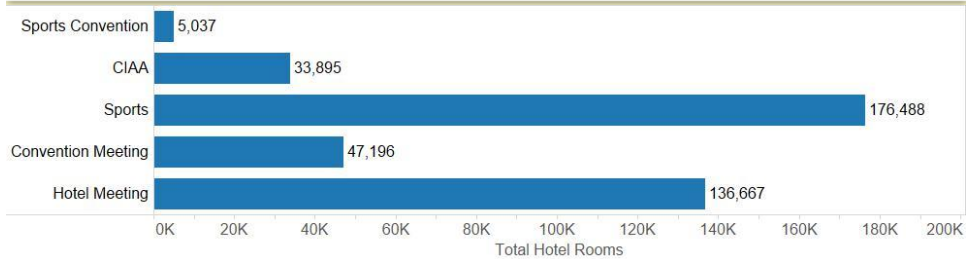


Source: CRVA Research

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## Indoor Amateur Sports as an Opportunity

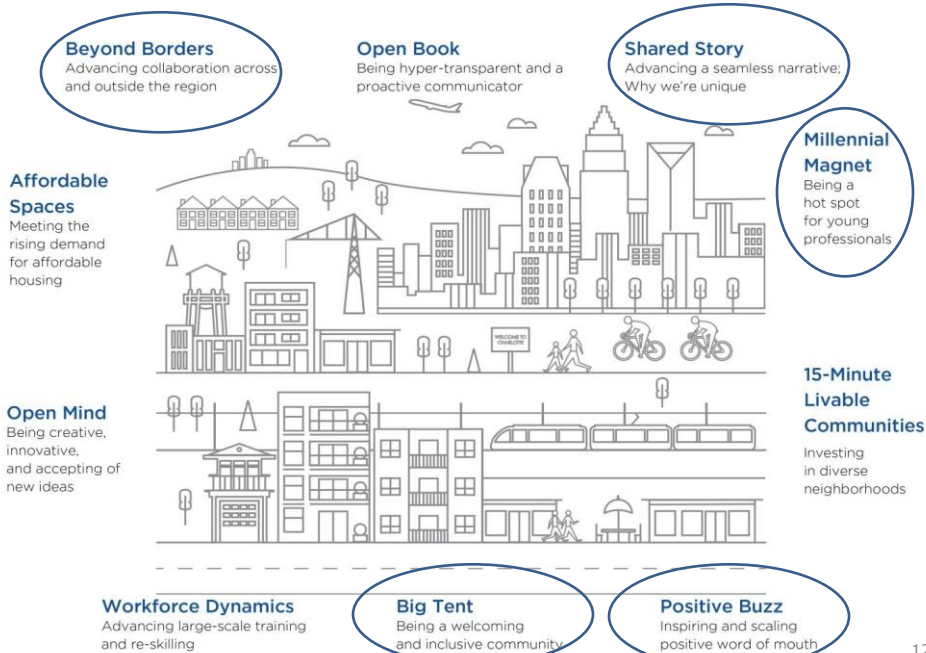


- 59% of all group rooms booked in FY17 were sports events
  - 37% of all group rooms were sports events held at Mecklenburg County Parks & Rec facilities
  - Over 15,000 rooms were generated by three events held at the Charlotte Convention Center (Basketball, Cheer, Volleyball)
  - Nearly 34,000 rooms are associated with the CIAA Basketball Tournament
- Expansion of Charlotte's ability to compete in the Indoor Amateur Sports Market represents our greatest growth opportunity.

Source: CRVA Research

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## THE 10 TRAITS OF WINNING CITIES OF TOMORROW



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## Public-Private Partnership (P3) Solicitation Requirements

- G.S. 143-128.1C governs P3 construction contracts
  - City has identified a critical need for an indoor amateur sports facility
  - P3 defined: “a capital improvement project undertaken for the benefit of a governmental entity and private developer...that includes construction of a public facility or other improvements...”
  - Request for Qualifications (RFQ) selection process to identify potential private partners
  - Private partner required to provide at least 50% of the total cost
- RFQ advertising:
  - *Charlotte Observer*
  - North Carolina Interactive Purchasing Site
  - Charlotte.gov
  - Courtesy emails will also be sent to known businesses that can provide these services

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## Partnership Objectives

- Create a competitive advantage for Charlotte as a preferred destination to host indoor amateur and youth sports events
- Grow new jobs and youth apprenticeships
- Expand Charlotte’s visitor economy

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## Public-Private Partnership Scope

- Large scale, best-in-class, “destination-defining” indoor amateur sports facility
  - 10 high-school regulation basketball courts / ability to convert to 20 or more regulation volleyball courts
  - Flexibility to host the widest spectrum of amateur and youth sports events
  - Amenities: seating, rest rooms, food and beverage offerings, activity options for non-participating siblings, changing rooms, meeting rooms
- Location competitiveness
  - Proximity to hotels and restaurants
  - Proximity to other visitor amenities
  - Ease of access and parking

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## Public-Private Partnership Scope

- Private partner will be responsible for site control/land acquisition, construction and facility operation
- Partnership with CRVA to maximize visitors to Charlotte, particularly on weekends
- Community access plan that includes free access opportunities to serve citizens of Charlotte
- Youth employment and apprenticeship opportunities
- Charlotte Business INClusion requirements will apply to private partner

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## Funding

- City partnership to fund a portion of facility capital costs
- Funding Source: Convention Center Tax Fund (3% occupancy tax and 1% food and beverage tax)
- Convention Center Tax Fund can only be used for visitor marketing/promotion and infrastructure for the Convention Center, Bank of America Stadium, and **amateur sports**
- Any City funding is anticipated to be part of a Spring 2018 debt issuance

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## Timeline

Date	Action
September 15	Issue RFQ
September 22	Pre-proposal conference with potential RFQ submitters
October 31	RFQ submission due date
November 9	Economic Development Committee briefing and recommendation
November 27	City Council dinner briefing, Memorandum of Understanding approval, and authorization to negotiate a development agreement with private partner
January 2018	Public hearing and approval of development agreement

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## Indoor Amateur Sports Facility Public-Private Partnership Update

### **Questions and Feedback**